

**SILVERMANACAMPORA LLP**  
Attorneys for TexStyle, LLC  
100 Jericho Quadrangle, Suite 300  
Jericho, New York 11753  
(516) 479-6300  
Gerard R. Luckman  
Adam L. Rosen

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

TEXSTYLE, LLC,  
d/b/a TexStyle Home Fashions,

Case No. 11-11686 (SMB)

Debtor.  
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**NOTICE OF AMENDMENT OF CREDIT AGREEMENT  
WITH WELLS FARGO BANK, NA**

**PLEASE TAKE NOTICE** that on May 12, 2011, the Court entered a final order authorizing the above-captioned chapter 11 debtor (the "Debtor") to obtain postpetition financing under a Credit and Security Agreement, dated July 31, 2008 (the "Credit Agreement"), as amended, between the Debtor and Wells Fargo Bank, National Association, acting through its Wells Fargo Business Credit operating division (WFBC") and to use WFBC's cash collateral (the "Final Order").

**PLEASE TAKE FURTHER NOTICE** that the Debtor hereby provides notice that the Debtor and WFBC have agreed to extend the Expiration Date under the Final Order and the Credit Agreement to and including August 8, 2011 upon the following additional terms and conditions acceptable to the Debtor:

1. The Debtor's cash net cash flow covenant referred to in paragraph 15(i) may not vary beyond 10% as reflected in that 13 Week Rolling Forecast provided by the Debtor dated June 28, 2011, as follows:

- Week ending 7-8-11                      \$329,279
- Week ending 7-15-11                    314,249
  
- Week ending 7-22-11                    193,344
- Week ending 7-29-11                    (130,852)
- Week ending 8-5-11                    (457,515)

2. The Debtor's retained Financial Advisor RAS must remain engaged by the Debtor through the extended expiration date.

3. The Carve Out Reserve referenced in paragraph 9(e) of the Final Order must increase by \$10,000/week during the extension period (the amount of the Chapter 11 Carve Out will remain the same).

4. On or before July 15, 2011, TexStyle shall provide WFBC with a forecast, acceptable to WFBC, for the Fiscal Year 2012.

Dated: Jericho, New York  
July 7, 2011

**SILVERMANACAMPORA LLP**  
Attorneys for the Debtor

By: s/ Adam L. Rosen  
Adam L. Rosen  
100 Jericho Quadrangle, Suite 300  
Jericho, New York 11753  
(516) 479-6300